



State of Utah

DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

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January 10, 2003

TO: Minerals File

FROM: Tom Munson, Senior Reclamation Specialist *TM*

RE: Division Meeting Notes, Maria-Hidden Treasure Mine, M/001/059, Beaver County, Utah

Date of Meeting: January 6, 2003
Time of Meeting: 10:00 a.m.
Participants: Wayne Hedberg, Tom Munson, Doug Jensen, Paul Baker, DOGM; Mark Novak, DWQ; Mark Dotson, Bill Wray, Earl Harrison, Western Utah Copper

Purpose of Meeting: Western Utah Copper requested a meeting to discuss changes to the mine plan, based on the addition of a tailing disposal pond as opposed to the current plan of storing waste in the Hidden Treasure Pit.

Meeting Notes:

The meeting started off with Mark Dotson explaining the future plans for the mine. This will involve major changes to the existing mine plan presently being reviewed by the Division. The current plan of storing dry mine tailings process waste in the Hidden Treasure Pit will not occur; instead a 50 acre tailings pond is being proposed, since they are now considering processing both sulfide and oxide ores. The ore from the Cactus Mine will contain Pyrite and Chalcopyrite. They hope to recover the majority of the Chalcopyrite through the flotation process. According to Mr. Wray, the ore from the Maria mine contains sulfides like Bornite and Covellite but it also contains a large amount of neutralizing potential in the form of calcite. According to Mr. Harrison, approximately 500 tons/day will come from the Cactus ore and 1,000 tons/day will come from the Maria Mine ore. Although both ores will be processed differently, the tailings will be combined and stored together in the tailings pond. The Division would like to see flotation tests run on both ores.

The current proposed mining method would be an adit and winze with the monzonite waste rock from the underground development being deposited in the bottom of the Maria Mine Pit. The location of the concentrator will not change other than it will be built from the ground up using five 500 ton ball mills and two separate flotation circuits. The major change to the plan will be the construction of the proposed 50 acre tailings pond. Discussions regarding the permitting of the tailings pond centers around the requirements for obtaining a construction and groundwater permit from the Department of Environmental Quality. The issues associated with this pond will be the presence of potentially acid forming materials in the pond along with reagents from the floatation process. The necessary information

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regarding the acid forming properties of the tailings will need to be put together and submitted to the regulatory agencies.

Bonding and permitting of the concentrator site will be addressed when the plan goes to a Large Mining Operation. The specifics discussed were: the cut and fill proposal, configuration of the pad and how 15,000 cubic yards of material will be brought back up to cover the concrete pad. The depth of growth medium cover over the concrete pad will be 3 to 5 1/2 feet thick. It was also stressed that the concrete pad will need to be broken up to a certain extent to allow ground water to percolate through it. Mr. Dotson asked how it was to be broken up and we stated that any method would be suitable including drilling and popping it with explosives, ripping with a Cat, etc.

Conclusions

Earl Harrison, Mark Dotson, and Bill Wray stated that they only want a Small Mine Permit at the current time until the tailings pond is permitted. The Small Mine Permit will only cover the concentrator and the adit sites. In the following year, they will work on submitting the tailings pond permit and permitting the entire operation as a large mine. They were informed that any future permitting actions cannot amend the existing permit without changing its content and delete any reference to the initial waste disposal plan. The operators were informed that we would prefer a new plan to replace the existing one.

jb

cc: Mark Dotson, Western Utah Copper
Ed Ginouves, BLM-Cedar City
Mark Novak, DWQ

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